

**BEFORE THE  
ILLINOIS COMMERCE COMMISSION**

In the matter of )

**Concentric Carrier Services, Inc.** )

Application for a Certificate of Local Exchange )  
and Interexchange Authority to Operate as a )  
Reseller and Facilities-based Carrier of )  
Telecommunications Services throughout )  
the State of Illinois )

Docket No. 00-0049

**TESTIMONY OF NICOLE SOMMERFELD  
ON BEHALF OF  
CONCENTRIC CARRIER SERVICES, INC.**

ILLINOIS  
COMMERCE COMMISSION  
MAR 3 9 59 AM '00  
CLERK'S OFFICE

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Nicole Sommerfeld. My business address is 1400 Parkmoor Avenue, San Jose, CA 95126. My business telephone number is (408) 817-2479 and my business fax number is (408) 817-2299.

**Q. WHAT IS YOUR POSITION WITH APPLICANT?**

A. I am a Business Development Manager for Concentric Network Corporation, the parent company of the Applicant Concentric Carrier Services, Inc.

**Q. PLEASE BRIEFLY DESCRIBE YOUR BACKGROUND AND QUALIFICATIONS.**

A. I have worked for Concentric Network Corporation since August 1999 as a Business Development Manager. Prior to working at Concentric Network Corporation, I worked in New Zealand for eight years for CLEAR Communications, a telecommunications and

1 Internet services provider company, where I held senior marketing roles, Prior to CLEAR  
2 Communications, I worked for one year as a marketing assistant at Pacific Bell. My current  
3 responsibilities at Concentric Network Corporation include coordinating certification and  
4 regulatory affairs for its wholly-owned subsidiary, Concentric Carrier Services, Inc.

5 **Q.** HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE ILLINOIS COMMERCE  
6 COMMISSION ("COMMISSION")?

7 **A.** No.

8 **Q.** ARE YOU FAMILIAR WITH THE APPLICATION THAT CONCENTRIC  
9 CARRIER SERVICES, INC. FILED WITH THE ILLINOIS COMMERCE  
10 COMMISSION ON JANUARY 20, 2000 FOR A CERTIFICATE TO BECOME  
11 A TELECOMMUNICATIONS CARRIER WITHIN THE STATE OF ILLINOIS?

12 **A.** Yes.

13 **Q.** DO YOU RATIFY AND CONFIRM THE STATEMENTS THAT ARE MADE IN  
14 THE APPLICATION?

15 **A.** Yes. However, I would like to inform the Commission of certain updated information. I  
16 would like to inform the Commission that Concentric Carrier Services recently received  
17 authority to provide facilities-based and resold local exchange services in Colorado, the  
18 District of Columbia, Texas, and Washington. Concentric Carrier Services has also received  
19 authority to provide interexchange services in Indiana. However, Concentric has not yet  
20 commenced service in any of these jurisdictions. Concentric is also in the process of  
21 applying for authority to provide telecommunications services nationwide. I would also like  
22 to inform the Commission of updated information concerning the ownership interests held  
23 by the officers of Concentric Carrier Services in other entities providing telecommunications

1 services. Specifically, the officers of Concentric Carrier Services have the following  
2 ownership interests in Concentric Network Corporation, the parent company of the  
3 Applicant: Henry R. Nothhaft holds a 2.84% interest; Michael Anthofer holds a 0.81%  
4 interest; Peter Bergeron holds a 0.02% interest. Finally, I would like to inform the  
5 Commission that John Peters, whose biography was included as part of Attachment 3 to  
6 Concentric's Application, has left Concentric as of February 1 of this year. His position has  
7 been filled by James Isaacs, whose biography is also included in Attachment 3 to the  
8 Application.

9 II. PURPOSE AND SUMMARY

10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

11 A. The purpose of my testimony is to describe the local exchange services that Concentric  
12 Carrier Services, Inc. ("Concentric") proposes to offer in Illinois and to review issues related  
13 to Concentric's request for authority to provide such services. My testimony specifically  
14 relates to Concentric's managerial, financial and technical competence to provide the local  
15 exchange and interexchange telecommunications services for which authority is requested,  
16 and its compliance with the rules and policies of this Commission.

17 Q. PLEASE DESCRIBE THE AUTHORITY THAT CONCENTRIC SEEKS FROM THE  
18 COMMISSION.

19 A. By its Application, Concentric plans to provide resold and facilities-based local exchange,  
20 interexchange and exchange access services throughout the State of Illinois. Concentric's  
21 proposed local exchange services will allow its customers to originate and terminate local  
22 calls to other customers served by Concentric as well as customers served by all other  
23 Illinois-certificated local exchange carriers. Concentric will also provide switched access

1 services to interexchange carriers on an equal access basis, which will allow its customers  
2 to originate and terminate intrastate and interstate calls to and from customers of other  
3 interexchange carriers. Concentric would like to emphasize that it does not seek to terminate  
4 any small or rural LEC exemption claimed by any rural incumbent LECs in Illinois at this  
5 time.

6 **Q. PLEASE DESCRIBE THE OPERATIONS OF CONCENTRIC.**

7 **A.** Concentric is a corporation organized under the laws of the State of Delaware. Concentric's  
8 Certificate of Authority to Transact Business in Illinois was provided as Attachment 2 to its  
9 Application. Concentric is a wholly-owned subsidiary of Concentric Network Corporation,  
10 a publicly-traded Delaware corporation listed on the NASDAQ exchange under the symbol  
11 "CNCX." Concentric Network Corporation's primary business is the provision of tailored,  
12 value-added IP-based network services for enterprises and consumers nationwide utilizing  
13 a high-performance ATM-based network that covers North America. The services offered  
14 by Concentric Network Corporation are not currently subject to state or Federal regulation.  
15 As described above, Concentric Carrier Services has received authority to provide  
16 telecommunications services in Colorado, the District of Columbia, Indiana, Texas, and  
17 Washington, although it has not yet begun providing services in these jurisdictions. In  
18 addition to Illinois, Concentric is currently seeking authorization to provide local exchange  
19 and interexchange telecommunications services nationwide. Neither Concentric nor its  
20 affiliates have been denied authority to provide telecommunications services in any state.

1    HI.    MANAGERIAL, TECHNICAL AND FINANCIAL QUALIFICATIONS

2    Q.    PLEASE OUTLINE CONCENTRIC'S MANAGERIAL, TECHNICAL AND  
3    FINANCIAL QUALIFICATIONS.

4    A.    Concentric is managerially, technically and financially qualified to provide the proposed  
5    services. Concentric will be able to rely on the extensive resources of its parent company,  
6    Concentric Network Corporation, Descriptions of the managerial and technical experience  
7    of Concentric's key personnel are attached as Attachment 3 to Concentric's Application. As  
8    indicated in Attachment 3 to the Application, these personnel have extensive experience in  
9    the telecommunications industry.

10   Q.    IN YOUR OPINION, DOES CONCENTRIC HAVE ADEQUATE ACCESS TO THE  
11   CAPITAL NECESSARY TO PROVIDE THE PROPOSED SERVICES IN ILLINOIS?

12   A.    Yes, it does. Concentric has access to the financing and working capital necessary to fulfill  
13   any obligations it may undertake with respect to operation and maintenance of the operations  
14   specified in its Application. Specifically, Concentric will rely upon the substantial financial  
15   resources of its parent, Concentric Network Corporation, to provide the initial capital  
16   investment and to fund operating costs. As of September 30, 1999, Concentric Network  
17   Corporation's total assets were valued at over \$456 million, with quarterly revenue for the  
18   quarter ending September 30 of \$38.1 million. Attached to Concentric's Application as  
19   Attachment 4 are copies of Concentric Network Corporation's most recent SEC Form 10-K  
20   and 10-Q filings. Attached to this testimony as Exhibit A is a guaranty from Concentric  
21   Network Corporation ensuring that the Applicant will have access to these resources. With  
22   the resources of Concentric Network Corporation, the Applicant possesses the sound  
23   financial support necessary to effectively procure, install and operate the facilities and

1 services requested in this petition. Further, as we noted in our Application, on January 10,  
2 2000, the Applicant's parent company, Concentric Network Corporation, announced that it  
3 has entered into a definitive agreement for the combination of itself and Nextlink  
4 Communications, Inc. ("Nextlink"), creating a next-generation broadband communications  
5 company that will provide a full range of voice, data and Internet communications services.  
6 The transaction, valued at approximately \$2.9 billion, is expected to close in the second  
7 quarter of this year. In the transaction, each share of Concentric Network Corporation  
8 common stock will be exchanged for \$45.00 of Nextlink common stock.

9 IV. CONCENTRIC'S PROPOSED SERVICES

10 Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT CONCENTRIC PLANS  
11 TO OFFER IN ILLINOIS.

12 A. Concentric plans to offer local exchange services to businesses and residential customers  
13 located throughout Illinois. Exchange services will include, but will not be limited to the  
14 following: (i) local exchange access services to single line and multi-line customers  
15 (including basic residential and business lines, direct inward/outward PBX trunk service,  
16 Centrex services and ISDN); (ii) local exchange usage services to customers of Applicant's  
17 end user access line services; (iii) switched and special carrier access services to other  
18 common carriers on an equal access basis; and (iv) xDSL and other private line services. In  
19 addition, Applicant seeks authority, through interconnection with other carriers, to offer 9-1-  
20 1 and enhanced 9-1 -1 emergency services, directory assistance and operator assisted calling,  
21 dual party relay services, and other miscellaneous services currently provided by incumbent  
22 local exchange carriers. Concentric also intends to offer interexchange services, including  
23 both inbound and outbound IntraLATA and InterLATA services. This will be accomplished

1 through a combination of its own facilities and other carriers' services. Where Concentric  
2 proposes to offer xDSL services, it will do so primarily over its own facilities. These  
3 facilities will include unbundled local loops and Digital Subscriber Line Access Multiplexers  
4 ("DSLAMS"), which will be installed in incumbent LEC central offices. For all other  
5 services, Concentric initially will offer services to its subscribers through the resale of other  
6 carriers' facilities and network elements. In the future, Concentric may also construct its  
7 own facilities for these services where warranted, the selection of which would be based  
8 upon Concentric's analysis of facility cost, suitability, and quality of service. At such time  
9 as Concentric may plan to construct its own facilities, it will comply with the Commission's  
10 requirements and all other relevant regulations.

11 **Q. HOW DOES YOUR COMPANY PLAN TO SOLICIT CUSTOMERS ONCE IT**  
12 **BEGINS TO PROVIDE LOCAL SERVICE?**

13 **A.** Services may be marketed via Internet web advertising, direct mail or through a direct sales  
14 force trained by Concentric. Concentric does not intend to use any multi-level marketing or  
15 charity programs.

16 **Q. WHO WILL PROVIDE CUSTOMER REPAIR SERVICE FOR YOUR COMPANY?**

17 **A.** Concentric customers may call Concentric's customer service number, (800) 745-2747, 24  
18 hours a day, seven days a week for routine and emergency repair and maintenance. If the  
19 repair or maintenance request concerns a resold or UNE portion of Concentric's network,  
20 Concentric will contact the underlying carrier. If the repair or maintenance request concerns  
21 a Concentric-owned facility, such as a switch, Concentric will handle the repair or  
22 maintenance through a subcontractor.

1 Q. PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE, AND FAX NUMBER  
2 OF THE PERSON AT YOUR COMPANY THAT WILL BE RESPONSIBLE FOR  
3 WORKING WITH THE COMMISSION'S CONSUMER SERVICES DIVISION FOR  
4 COMPLAINT RESOLUTION.

5 A. I will be the person responsible for working with the Consumer Services Division concerning  
6 complaint resolution. My business address, telephone, and fax number have been provided  
7 above.

8 Q. DOES YOUR COMPANY PLAN TO OBTAIN ELIGIBLE  
9 TELECOMMUNICATIONS CARRIER STATUS TO QUALIFY FOR THE  
10 FEDERALLY FUNDED LIFELINE AND LINK UP PROGRAMS?

11 A. At this time, Concentric does not intend to seek designation as an Eligible  
12 Telecommunications Carrier.

13 v. COMPLIANCE WITH THE COMMISSION'S RULES, REGULATIONS AND  
14 POLICIES

15 Q. IF AUTHORIZED TO PROVIDE LOCAL EXCHANGE SERVICES, WILL  
16 CONCENTRIC ABIDE BY THE RULES, REGULATIONS, POLICIES AND  
17 ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF  
18 ILLINOIS, IN ITS PROVISION OF LOCAL EXCHANGE  
19 TELECOMMUNICATIONS SERVICE?

20 A. Yes we will. Concentric will provide service in Illinois in full compliance with any and all  
21 rules and regulations that have been or may be adopted relating to the provision of local  
22 exchange or interexchange services, as well as any other applicable state or federal rules,  
23 regulations, or statutes. For example, Concentric will comply with any competitively-neutral



1 requirements that the Commission and/or the State of Illinois determines are necessary to  
2 preserve and advance universal service, protect the public safety and welfare, ensure the  
3 continued quality of local services, and safeguard the rights of consumers.

4 **Q.** IS YOUR COMPANY SEEKING ANY WAIVERS OR VARIANCES OF CERTAIN  
5 COMMISSION RULES OR REGULATIONS IN THIS PROCEEDING THAT  
6 PERTAIN TO LOCAL EXCHANGE SERVICE?

7 **A.** Yes, it is. Specifically, Concentric is requesting waivers of the following: 83 Ill. Admin.  
8 Code Part 250, 83 Ill. Admin. Code Part 710, 83 Ill. Admin. Code Part 735.180, and 83 Ill.  
9 Admin. Code Parts 725.500(o) and 725.620(b). It is my understanding that the Commission  
10 has previously waived or declared inapplicable portions of 83 Ill. Admin. Code Parts 710 and  
11 735 for competitive carriers as such waivers reduce the economic burdens of regulation and  
12 are not inconsistent with the law or the purposes and policies of Article XIII of the Act.

13 **Q.** PLEASE DESCRIBE CONCENTRIC'S REQUEST FOR A VARIANCE FROM 83  
14 ILL. ADMIN. CODE PART 250.

15 **A.** Concentric seeks a variance of Part 250 that would require Concentric to maintain its books  
16 and records within the State of Illinois due to the economic and administrative burden that  
17 such a requirement would impose. Concentric therefore requests that it be allowed to  
18 maintain its books and records at its principal place of business, with such books and records  
19 to be available to the Commission upon reasonable demand.

20 **Q.** PLEASE DISCUSS THE BASIS FOR CONCENTRIC'S REQUEST FOR A WAIVER  
21 OF 83 ILL. ADMIN. CODE PART 710.

22 **A.** Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this  
23 provision is appropriately applied to incumbent LECs that have market power, it imposes

unnecessary and burdensome requirements on new entrants such as Concentric. Concentric's size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. Concentric keeps its books in accordance with Generally Accepted Accounting Principles, which will result in a substantially equivalent portrayal of its operating results and financial condition. In compliance with requirements for seeking this waiver, Concentric is attaching a copy of its Chart of Accounts as Exhibit B to this testimony.

**Q. PLEASE DESCRIBE CONCENTRIC'S REQUEST FOR A VARIANCE FROM ILL. ADMIN. CODE PART 735.180.**

A. Concentric seeks a variance from Ill. Admin. Code Part 735.180, which requires LECs to publish and distribute directories to their customers. Concentric plans to negotiate an agreement with its underlying carrier(s), Ameritech Illinois and/or other local exchange providers, pursuant to which the underlying carrier will include Concentric's customer listing in its directories and distribute them to Concentric's customers. Accordingly, Concentric requests a variance from the requirement that it publish and distribute its own directories.

**Q. PLEASE DESCRIBE CONCENTRIC'S REQUEST FOR A WAIVER OF 83 ILL. ADMIN. CODE PARTS ~~725.500(0)~~ AND 725.620(B).**

A. Concentric requests a waiver of 83 Ill. Admin. Code Parts 725.500(o) and 725.620(b), which require that call boxes be installed on a LEC's switch in order to allow a Public Safety Answering Position ("PSAP") employee to field 9-1-1 calls from that switch in the event of a trunking problem between the central office and the PSAP. This requirement is appropriate when applied to incumbent LECs, who have switching equipment installed in virtually every one of their central offices. It would be technically infeasible and logistically impossible for a PSAP employee to field calls from Concentric's switch in the event of a trunking problem

1 between Concentric and the tandem through which Concentric will route 9-1-1 calls.  
2 Therefore, Concentric requests that it be exempted from complying with this requirement.  
3 Concentric nevertheless will ensure that it can process all emergency calls with a high degree  
4 of reliability. It is Concentric's understanding that this waiver request has been granted to  
5 other CLECs previously.

6 **Q. PLEASE EXPLAIN HOW CONCENTRIC WILL PROVIDE 9-1-1 AND OTHER**  
7 **EMERGENCY SERVICES.**

8 A. Concentric intends to provide full support for emergency services in keeping with its  
9 obligations as a local exchange carrier. Concentric will comply with all requirements for  
10 these services applicable to authorized local exchange carriers, including the requirements  
11 of 83 Ill. Admin. Code Part 725 (except for the call box waiver requested above) and the  
12 Emergency Telephone System Act. Concentric will negotiate an E9-1-1/9-1-1  
13 interconnection arrangement with the incumbent LECs that will allow it to complete 9-1-1  
14 calls for its customers. Concentric will coordinate with the agency operating the Public  
15 Service Answering Point ("PSAP") in each locality that it serves, in order to assure that 9-1-1  
16 calls are routed and delivered in the manner desired by the PSAP. In those localities where  
17 E9-1-1 service has been implemented, Concentric also will make arrangements for the proper  
18 delivery of Automatic Number Identification ("ANI") and Automatic Location Identification  
19 ("ALP") information to the PSAP. Concentric will also provide emergency operator services  
20 where the caller dials only 0 at no charge to callers, customers, or the emergency service  
21 providers.

1   **Q.    PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE, AND FAX NUMBER**  
2       **OF THE 9-1-1 CONTACT PERSON FOR YOUR COMPANY.**

3   A.    I will be the 9-1-1 contact person for Concentric. My business address, telephone, and fax  
4       number have been provided above.

5   **Q.    HOW OFTEN WILL YOUR COMPANY UPDATE THE 9-1-1 DATABASE WITH**  
6       **CUSTOMER INFORMATION?**

7   A.    Concentric will update the 9-1-1 database on a monthly basis.

8   **Q.    WILL YOUR COMPANY'S BILLING SYSTEM HAVE THE ABILITY TO**  
9       **DISTINGUISH BETWEEN FACILITIES BASED AND RESALE FOR THE**  
10       **COLLECTION OF THE 9-1-1 SURCHARGE AND ITAC LINE CHARGE?**

11   A.    Yes. Concentric's billing system can differentiate between facilities-based and resale for the  
12       collection of the 9-1-1 surcharge and the Illinois Telecommunications Access Corporation  
13       line charge.

14   **Q.    WILL YOUR COMPANY'S PROPOSAL REQUIRE ANY NETWORK CHANGES**  
15       **TO ANY OF THE 9-1-1 SYSTEMS?**

16   A.    No.

17   **Q.    WILL YOUR COMPANY COMPLY WITH 83 ILL. ADMIN. CODE PART 772, PAY-**  
18       **PER-CALL SERVICES, INCLUDING PART 772.55(A)(1), BILLING AND PART**  
19       **772.100(D) NOTICES?**

20   A.    Concentric has no plans to provide local pay-per-call services at this time.

21

22

23

1 **Q. WILL YOUR COMPANY COMPLY WITH 83 ILL. ADMIN. CODE PART 705,**  
2 **PRESERVATION OF RECORDS OF TELEPHONE UTILITIES?**

3 A. Yes. Concentric will comply with the regulations imposed on LECs concerning the  
4 preservation of records. However, as described above, Concentric requests permission to  
5 maintain its books and records at its principal place of business in the State of California.

6 **Q. WILL YOUR COMPANY ABIDE BY 83 ILL. ADMIN. CODE PART 735,**  
7 **“PROCEDURES GOVERNING THE ESTABLISHMENT OF CREDIT, BILLING,**  
8 **DEPOSITS, TERMINATION OF SERVICE AND ISSUANCE OF TELEPHONE**  
9 **DIRECTORIES FOR TELEPHONE UTILITIES IN THE STATE OF ILLINOIS”?**

10 A. Yes. However, as described above, Concentric requests a waiver with regard to the issuance  
11 of telephone directories.

12 **Q. WILL YOUR COMPANY MEET THE REQUIREMENTS AS THEY PERTAIN TO**  
13 **THE TELEPHONE ASSISTANCE PROGRAMS IMPOSED BY SECTIONS 13.301**  
14 **AND 13.301.1 OF THE ILLINOIS PUBLIC UTILITIES ACT AND 83 ILL. ADMIN.**  
15 **CODE PART 757?**

16 A. Yes, Concentric will participate with Illinois telephone assistance programs.

17 **Q. WILL YOUR COMPANY SOLICIT, COLLECT, AND REMIT THE VOLUNTARY**  
18 **CONTRIBUTIONS FROM ITS TELEPHONE SUBSCRIBERS TO SUPPORT THE**  
19 **TELEPHONE ASSISTANCE PROGRAMS?**

20 A. Yes.

21

22

23

1 **Q. WILL YOUR COMPANY ABIDE BY THE REGULATIONS AS PRESCRIBED IN**  
2 **83 ILL. ADMIN. CODE PART 755, "TELECOMMUNICATIONS ACCESS FOR**  
3 **PERSONS WITH DISABILITIES," 83 ILL. ADMIN. CODE PART 756**  
4 **"TELECOMMUNICATIONS RELAY SERVICE," AND SECTIONS 13-703 OF THE**  
5 **ILLINOIS PUBLIC UTILITIES ACT?**

6 **A. Yes.**

7 **Q. WILL CONCENTRIC FILE TARIFFS FOR ALL SERVICES AND CHARGES**  
8 **ASSOCIATED WITH PROVIDING LOCAL TELEPHONE SERVICE, INCLUDING**  
9 **SPECIFIC PROGRAMS, E.G., 9-1-1, UTAC, AND ITAC?**

10 **A. Yes, Concentric will file a local exchange tariff after certification and prior to the initiation**  
11 **of local exchange service in Illinois. The tariff will set forth provisions for all of its local**  
12 **service offerings, including 9-1-1, UTAC, and ITAC.**

13 **Q. THE COMMISSION'S CONSUMER SERVICES DIVISION REQUESTS THAT**  
14 **CARRIERS THAT ARE CERTIFIED TO PROVIDE LOCAL EXCHANGE**  
15 **SERVICE NOTIFY THE DIVISION AT LEAST ONE MONTH PRIOR TO THE**  
16 **ACTIVATION OF LOCAL EXCHANGE SERVICE. WILL CONCENTRIC SO**  
17 **NOTIFY THE DIVISION ON A TIMELY BASIS PRIOR TO THE ACTIVATION OF**  
18 **LOCAL EXCHANGE SERVICE?**

19 **A. Yes, it will.**

20 **Q. WILL CONCENTRIC ABIDE BY FEDERAL AND STATE SLAMMING LAWS?**

21 **A. Yes. Concentric will comply with Illinois law and the Federal Communication**  
22 **Commission's regulations regarding how interexchange carriers may change a consumer's**  
23 **Primary Interchange Carrier. Concentric will also comply with the FCC's regulations**

1 regarding how carriers may change a consumer's primary local exchange provider.

2 **Q. HAS YOUR COMPANY PROVIDED SERVICE UNDER ANY OTHER NAME?**

3 A. No. Concentric Carrier Services is a newly-formed company and has not yet begun  
4 providing services in any jurisdiction.

5 **Q. HAVE ANY COMPLAINTS OR JUDGMENTS BEEN LEVIED AGAINST THE**  
6 **COMPANY? (INSTATE, OUT-OF-STATE, OR FCC).**

7 A. To my knowledge, no formal complaints or court judgments have been levied against the  
8 company.

9 **VI. CONCLUSION**

10 **Q. PLEASE DESCRIBE THE PUBLIC INTEREST BENEFITS ASSOCIATED WITH**  
11 **CONCENTRIC'S PROPOSED OFFERING OF LOCAL SERVICES IN ILLINOIS.**

12 A. Grant of Concentric's Application will further the public interest by expanding the  
13 availability to Illinois consumers of technologically advanced telecommunications facilities  
14 and services. Concentric's network will utilize state-of-the art technology. Its presence in  
15 the market will afford consumers an additional choice of local service providers. The public  
16 will benefit both directly, through the use of the high-quality and reliable digital transmission  
17 services to be offered by Concentric, and indirectly because the expanded presence of  
18 Concentric in the market will increase the incentives for other telecommunications providers  
19 to operate more efficiently, offer more innovative services, reduce their prices, and improve  
20 their quality of service. Grant of this Application is therefore in the public interest because  
21 it will enhance further the service options available to Illinois citizens.

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A. Yes, it does.

**EXHIBIT A**

**Guaranty from Concentric Network Corporation**

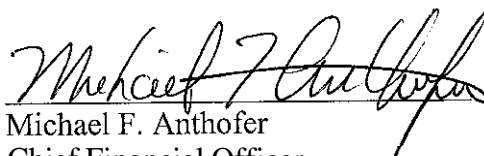


## GUARANTY

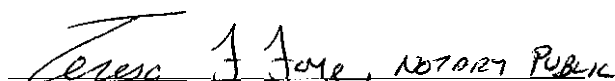
STATE OF CALIFORNIA     )  
  )  
COUNTY OF SANTA CLARA    )

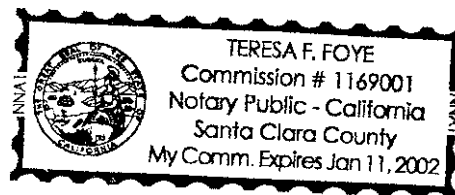
Concentric Network Corporation hereby guarantees the financial obligations of Concentric Carrier Services, Inc. attendant to Concentric Carrier Services, Inc.'s operations as a telecommunications carrier in the State of Illinois. Concentric Network Corporation is the corporate parent of Concentric Carrier Services, Inc., and issues this Guaranty in support of Concentric Carrier Services, Inc.'s Application before the Illinois Commerce Commission for a Certificate to Become a Telecommunications Carrier in the State of Illinois.

Concentric Network Corporation

  
Michael F. Anthofer  
Chief Financial Officer  
Concentric Network Corporation

Subscribed and sworn to before me on the 1 day of FEBRUARY, 2000.

  
Notary Public In and For the  
State of CALIFORNIA



My Commission expires: 1-11-02

**EXHIBIT B**

**Proposed Chart of Accounts for  
Concentric Carrier Services, Inc.**

Concentric Carrier Services  
Proposed Chart of Accounts  
2/9/00

10100	Petty Cash
10110	NatCity-Main Chkg Acct
10111	NatCity-Reserve Chkg Acct
10160	Certificates of Deposit
10170	Money Market Investment
10330	Allowance for Doubtful Account
10390	AR-Other
10391	DSL-Receiveable
10393	Acquisition Receiveable
10395	Interest Receiveable
10410	Notes Receivable - Short Term
10510	Loans To Employees
10570	Receivable-Related Party
10790	Deferred Assets Other-Current
10810	Prepaid Insurance
10890	Other Prepaid Expense
12010	Autos-Original Value
12020	Furn & Fix - Original Value
12030	Leasehold Equip.-Orig.Val
12040	Comp/Equip-Original Value
12050	Office Equip-Original Value
12060	Software-Original Value
12070	BBS Equipment
12071	Dial In POP Equip
12081	Network Operations Equipment
12085	Central Office Equipment
12086	DSLAM Equipment
12810	Accum. Depr.-Autos
12820	Accum. Depr. - Furniture
12830	Accum. Amort.-Leasehold
12840	Accum. Depr. - Comp/Equipment
12850	Accum. Depr.-Office Equip
12860	Accum. Depr.-Software
12870	Accum. Depr.-Network Equip
12881	Accum. Depr-NetOps Equipment
12885	Accum Depr Central Office Equipment
12886	Accum Depr DSLAM Equipment
13010	Goodwill
13020	Organization Start-Up Costs
13030	Deferred Financing
13090	Other Intangible Assets
13810	Accum.Amort - Goodwill
13820	Accum.Amort - Organization
13830	Accum.Amort - Deferred Financi

13890	Accum.Amort - Othr Intg Assets
14110	Deposits
14220	Long Term Investments
14510	Deferred Interest
14590	Deferred Assets - Other
20010	AP-Trade
20020	AP-Accrued
20025	AP-NSD
20030	AP-COGS
20032	AP-Network
20040	AP-Op Exp
20130	Accrued Comm/Bounties
20160	Accrued Interest Expense
20173	AP-Anaserve
20190	Other Accrued Liabilities
20210	Accrued Salaries &Wages
20220	Accrued Vacation
20230	Federal Payroll Taxes Withheld
20240	State Payroll Taxes Withheld
20250	State Disability Insurance
20361	Child Support
20382	Employee Escrow Account
20383	Employee Stock Purchase
20384	Supplemental Life
20385	401(k) Plan
20386	125 Plan
20402	FUTA
20403	SUTA
20409	Payroll Tax
20420	Sales/Use Tax Payable
20620	State Income Tax
20710	Excise Tax Payable
20720	Property Tax
20890	Other Lease Obligations - Curr
20910	Deferred Revenue
20920	Customer Deposit
25100	Note Payable - L/T
25990	Other Long Term Liabilities
30110	Common Stock
30310	Deferred Compensation
32000	Retained Earning(Deficit)
32999	Current Earnings
41010	Subscription Revenue
41090	Other Product Revenues
41101	Revenue-Alabama Intrastate operations
41102	Revenue-Alabama Interstate operations
41103	Revenue-Alaska Intrastate operations
41104	Revenue-Alaska Interstate operations
41105	Revenue-Arizona Intrastate operations
41106	Revenue-Arizona Interstate operations
41107	Revenue-Arkansas Intrastate operations
41108	Revenue-Arkansas Interstate operations

41109	Revenue - California Intrastate operations
41110	Revenue - California Interstate operations
41111	Revenue-Colorado Intrastate operations
41112	Revenue - Colorado Interstate operations
41113	Revenue - Connecticut Intrastate operations
41114	Revenue - Connecticut Interstate operations
41114	Revenue - <del>Deleware</del> Intrastate operations
41115	Revenue - <del>Deleware</del> Interstate operations
41116	Revenue - DC Intrastate operations
41117	Revenue - DC Interstate operations
41118	Revenue - Florida Intrastate operations
41119	Revenue - Florida Interstate operations
41120	Revenue - Georgia Intrastate operations
41121	Revenue - Georgia Interstate operations
41122	Revenue - Hawaii Intrastate operations
41123	Revenue-Hawaii Interstate operations
41124	Revenue - Idaho Intrastate operations
41125	Revenue - Idaho Interstate operations
41126	Revenue - Illinois Intrastate operations
41127	Revenue - Illinois Interstate operations
41128	Revenue - Indiana Intrastate operations
41129	Revenue - Indiana Interstate operations
41130	Revenue - Iowa Intrastate operations
41131	Revenue - Iowa Interstate operations
41132	Revenue - Kansas Intrastate operations
41133	Revenue - Kansas Interstate operations
41134	Revenue - Kentucky Intrastate operations
41135	Revenue - Kentucky Interstate operations
41136	Revenue - Louisiana Intrastate operations
41137	Revenue - Louisiana Interstate operations
41138	Revenue - Maine Intrastate operations
41139	Revenue - Maine Interstate operations
41140	Revenue - Maryland Intrastate operations
41141	Revenue - Maryland Interstate operations
41142	Revenue - Massachusetts Intrastate operations
41143	Revenue - Massachusetts Interstate operations
41144	Revenue - Michigan Intrastate operations
41145	Revenue - Michigan Interstate operations
41146	Revenue - Minnesota Intrastate operations
41147	Revenue - Minnesota Interstate operations
41148	Revenue - Mississippi Intrastate operations
41149	Revenue - Mississippi Interstate operations
41150	Revenue - Missouri Intrastate operations
41151	Revenue - Missouri Interstate operations
41152	Revenue - Montana Intrastate operations
41153	Revenue - Montana Interstate operations
41154	Revenue - Nebraska Intrastate operations
41155	Revenue - Nebraska Interstate operations
41156	Revenue - Nevada Intrastate operations
41157	Revenue - Nevada Interstate operations
41158	Revenue - New Hampshire Intrastate operations

41159	Revenue - New Hampshire Interstate operations
41160	Revenue - New Jersey Intrastate operations
41161	Revenue - new Jersey Interstate operations
41162	Revenue - New Mexico Intrastate operations
41163	Revenue - New Mexico Interstate operations
41164	Revenue - New York Intrastate operations
41165	Revenue - New York Interstate operations
41166	Revenue - North Carolina Intrastate operations
41167	Revenue - North Carolina Interstate operations
41168	Revenue - North Dakota Intrastate operations
41169	Revenue - North Dakota Interstate operations
41170	Revenue-Ohio Intrastate operations
41171	Revenue-Ohio Interstate operations
41172	Revenue - Oklahoma Intrastate operations
41173	Revenue - Oklahoma Interstate operations
41174	Revenue - Oregon Intrastate operations
41175	Revenue - Oregon Interstate operations
41176	Revenue - Pennsylvania Intrastate operations
41177	Revenue - Pennsylvania Interstate operations
41178	Revenue - Rhode Island Intrastate operations
41179	Revenue - Rhode Island Interstate operations
41180	Revenue - South Carolina Intrastate operations
41181	Revenue - South Carolina Interstate operations
41182	Revenue - South Dakota Intrastate operations
41183	Revenue - South Dakota Interstate operations
41184	Revenue - Tennessee Intrastate operations
41185	Revenue-Tennessee Interstate operations
41186	Revenue -Texas Intrastate operations
41187	Revenue -Texas Interstate operations
41188	Revenue - Utah Intrastate operations
41189	Revenue - Utah Interstate operations
41190	Revenue - Vermont Intrastate operations
41191	Revenue-Vermont Interstate operations
41192	Revenue-Virginia Intrastate operations
41193	Revenue-Virginia Interstate operations
41184	Revenue - Washington Intrastate operations
41195	Revenue -Washington Interstate operations
41196	Revenue -West Virginia Intrastate operations
41197	Revenue -West Virginia Interstate operations
41198	Revenue-Wisconsin intrastate operations
41199	Revenue - Wisconsin Interstate operations
41200	Revenue - Wyoming Intrastate operations
41201	Revenue -Wyoming Interstate operations
49010	Refunds
49020	Credit Card Fees
49090	Other Adjustments to Revenue
50110	Installation CKT/PORT/PVC
50120	Circuits-Recurring
50150	Call Forward/Usage
50310	Installation CKT/PORT/PVC
50320	Frame T1 Access CKTS

50321	MCI ATM Access CKTS
50330	Frame PORT/PVC
50331	MCI ATM PORT/PVC
50398	Other Backbone
50500	installation CKT/PORT/PVC
50520	MCI Circuits
50521	Sprint Circuits
50522	UUNET Circuits
50530	Ameritech circuits
50531	US West circuits
50532	GTE circuits
50533	SBC circuits
50534	Pacific Bell circuits
50535	Southwest Bell circuits
50598	Other Internet
50750	Registration Servers and VLA
50911	Installation - Rack/Power/Site
50960	SPOP
50961	Central Office
50963	Class II
50965	Class III
50998	Other Colocation
51566	Depreciation - Network Site
51569	Depreciation - Central Office Eq
51570	Depreciation - DSLAM Equipment
51598	Depreciation - Other
51610	Maintenance - Network Equip.
51960	Other Labor
51962	Expensed Equipment
51964	Expensed Freight
51965	Property Tax
51998	Other Network COGS
55010	Installation CKT/PORT/PVC
55015	Installation - Equipment
55030	Point-to-Point Access Circuit
55040	Customer Access CKT-Access/Port
55045	Product Backbone CKT-Access/Port
55162	Expensed Equipment
55165	Expensed Software
55167	Maintenance
55700	800 Payment Plan/Premium Product
55960	Outside Services/Fulfillment
55998	Other
59015	Amortization of Software Licenses
59020	Fulfillment
59030	TMI Costs
60100	Salaries & Wages
60200	Overtime
60300	Commissions
60400	Bonuses
60600	Employer Payroll Taxes
60610	Worker's Compensation Insurance

60620	Vacation
60630	Health Insurance
60640	Dental Insurance
60650	Vision Insurance
60660	401K Retirement Plan
60680	Life/Disability Insurance
60685	Amortized Deferred Compensation
60710	Relocation
60720	Professional Development
60780	Employee Sales
60790	Employee Events/Morale
61100	Consulting Fees
61200	Contract Labor
61211	Reimbursed Salaries
61212	Reimbursed Benefits
61300	Recruiting Fees
61400	Public Relations
61500	Market Research
61600	Legal Fees
61710	Audit Fees
61711	Tax Preparation Fees
61720	Payroll Processing Fees
61730	Bank Fees
61800	Critical Technologies Fees
61900	Bounties/Third Party Commissions
62100	Collateral Design / Usage
62200	Direct Mail
62300	Tradeshows - Participant
62400	Tradeshows - Attend
62500	Advertising
62900	Marketing - Other
63100	Airfare
63200	Lodging
63300	Ground Transportation
63400	Meals
63500	Business Entertainment
64100	Expensed Equipment
64200	Expensed Software
64300	Rental & Leased Equipment
64410	Maintenance - Equipment
64420	Maintenance - Computer Equipment
64430	Maintenance - Software
64490	Maintenance - Other
65010	Depreciation -Auto
65020	Depreciation - Furniture & Fix
65030	Depreciation - Leashold Improv
65040	Depreciation - Computer Equipm
65050	Depreciation - Office Equipmen
65060	Depreciation - Software
65081	Depreciation - NetOps Equipmen
65082	Depreciation - Comdisco Equipm
65090	Depreciation - Other



66100	Rent/Building Leases
66200	Utilities
66300	Building Repairs/Maintenance
66310	Property Tax
66320	Franchise Tax
66330	Licenses & Taxes
66400	Telephone & Communications
66600	Insurance
67100	Office Supplies
67200	Computer Supplies
67310	Postage
67320	Courier/Express Mail
67400	Printing & Reproduction
67500	Books, Dues & Subscriptions
67801	Amortization - Goodwill
67809	Amort. - Other Intang Assets
67810	Bad Debt Expense
67900	Miscellaneous
69100	Allocations - In
69500	Allocations - Out
70100	Other Income
70200	Other Expense
70300	Gain/(Loss) on FA Disposal
75100	Interest Income
75200	Interest Expense